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Malaysia's call wins ICFTU backing

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MALAYSIA'S call for greater transparency and regulation for hedge funds activities have won the backing of the International Confederation of Free Trade Unions (ICFTU).

ICFTU secretary-general Bill Jordan said that in a meeting with Datuk Seri Dr Mahathir Mohamad in Kuala Lumpur yesterday he has proposed to the Prime Minister that it is time to take on the hedge funds and currency manipulators.

"The near-collapse of (US hedge fund) Long-Term Capital Management last week made it plain that the continued freedom of the hedge funds risk colossal sums of money.

"It threatens to cost billions of dollars to both the people of developing countries like Malaysia and to the taxpayers in the industrialised countries who are asked to pay the price for their failure, Jordan said.

The ICFTU leader spoke at the end of the fourth Conference of the Asia Pacific Labour Network in Petaling Jaya yesterday.

It was hosted by the Malaysian Trade Union Congress (MTUC) in preparation for the Asia Pacific Economic Cooperation (Apec) Leaders' Meeting on November 17 and 18 this year in Kuala Lumpur.

Jordan said the Asian economic crisis has increased poverty to more Asian working men and women, and seriously undermined the progress achieved during decades of economic development.

"The IMF austerity programmes have added to the recession and contributed to the unemployment and impoverishment through raising of interest rates, measures to deregulate labour markets, and cuts in state spending and privatization," he said.

The ICFTU also called on Apec countries to secure a formal recognition of the trade union role in the conference as to bring about durable economic recovery.

Jordan said the current crisis does not simply have economic effects but also has immense social ramifications.

Apec, he said, must move beyond being an institution which primarily addresses economic issues to also include matters which relate to the impact of economic changes on the labour force and society at large.

The suggestion, he said, demonstrates the uniquely valuable perspective that trade unions are able to bring to the examination policies needed to maximise the contribution that working people and their freely-chosen trade unions can improve international cooperation.

"What is needed are greater transparency and regulation of financial markets with internationally mandatory reserve-to-asset ratios, disclosure of asset holdings of hedge funds like LTCM, and a "Tobin Tax" to make speculators pay a penalty for their foreign currency transactions," said Jordan.

The conference also urged the Apec meeting in Kuala Lumpur to press for structural reform of the financial institutions to ensure economic development goes hand-in-hand with social progress.

The ICFTU, based in Brussels, is one of the largest bodies representing trade unions in democratic countries. It has had several dealings with the Malaysian Government in the past, but mostly to oppose certain labour policies or practices in the country.

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